

National Governors Association Releases Report on Strategies to Address Public Health Crises

Delaware one of 11 participating states vetting strategies around crises such as Hepatitis C and opioid use disorder

WILMINGTON, Del. – Delaware was one of 11 states that vetted potential strategies through the National Governors Association (NGA) Center for Best Practices to address public health crises such as Hepatitis C and opioid use disorder by improving access to evidence-based pharmaceutical interventions while ensuring the fiscal sustainability of public programs. The NGA released the report on the strategies today.

“Working with other states and the NGA, our Delaware team has found ways to address these public health crises that are having such a devastating impact on the people of our states, while still being able to effectively manage the cost of the medications we use to provide effective and life-saving interventions,” said **Governor John Carney**. “Giving states more options helps us make the right decisions on behalf of people in need.”

Across all states, specialty medicines – including treatments for Hepatitis C – have been a key driver in Medicaid spending, accounting for 0.9 percent of claims and 32 percent of Medicaid drug spending. A national study found that naloxone use in Medicaid increased 66 percent from 2013 to 2014, as compared with 12 percent for all drugs, and 101 percent from

2014 to 2015, compares with 10 percent for all drugs.

Delaware joined teams from 10 other states in coming up with the strategies: California, Louisiana, Massachusetts, New Mexico, New York, Ohio, Oregon, Rhode Island, Virginia and Washington. Beginning in November 2017, the NGA Center supported the states in generating ideas for governors across the country to consider as they balance access and cost concerns. The strategies include:

- Establish a Medicaid spending cap for pharmaceuticals.
- Pursue alternative payment mechanisms such as a subscription model with a pharmaceutical manufacturer.
- Consider options for excluding select drugs from Medicaid coverage.
- Engage in bulk and pooled purchasing.
- Determine and pay value-based prices for drug treatments by incorporating value assessments.
- Explore whether the federal government would allow nominal pricing for correctional facilities.

In Delaware, health care spending – including Medicaid, the Department of Correction and state employee health benefits – account for about 30 percent of the state's total budget. About 225,000 Delawareans are served by Medicaid, the shared state and federal health insurance program for people from low-income households, seniors eligible for long-term care and individuals with disabilities.

Department of Health and Social Services Secretary Dr. Kara Odom Walker, who represented Delaware in the NGA vetting, said the strategies complement the work Governor Carney and she are leading to advance a [health care spending benchmark](#) and value-based care in Delaware. In February, Governor Carney [signed](#) Executive Order 19 creating a 13-member Advisory Group to make recommendations to Secretary Walker on health care cost and quality benchmarks across Delaware's health care system, including employer-based coverage, Medicare and Medicaid.

Secretary Walker will provide her formal recommendations to the Governor this summer. Beginning in 2019, Delaware will measure the total cost of health care, the first step in increasing transparency in how health care dollars are spent.

“Our Medicaid team has launched several initiatives to improve the quality of care for our Medicaid clients, to address the social determinants of health and to encourage value-based payments,” said **Secretary Walker**. “These NGA strategies involving evidence-based pharmaceutical interventions offer us options in balancing health care innovations, where appropriate, with the affordability of making those innovations available to the people we serve.”

The full report can be found [here](#).

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